(c) what preventive steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) No, Sir.

(c) The Directorate of Revenue Intelligence is maintaining strict vigil.

Cases pending in Appellate Tribunals

709. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that more than Rs. 90,000 crores is locked up in income tax disputes, with the existing number of Appellate Tribunals unable to handle the cases;

(b) whether Government propose to set up additional Appellate Tribunals to clear the backlog; and

(c) whether there are any proposals to revive setting up a National Court of Direct Taxes initiated during early 1990s?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) the outstanding amout of income-tax disputed before the Appellate Tribunals is Rs. 28,94,102 (in lacs) as on 01.09.2003.

(b) Yes, Sir.

(c) No, Sir. However, the National Tax Tribunal Ordinance, 2003 has. been promulgated on 16.10.2003 for setting up the National Tax Tribunal.

Recommendations of IMF chief

710. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the IMF Chief Economist Kanneth Rogoff has advised emerging Asian Economist at the annual meeting of the World Bank and IMF that accumulation of reserve beyond a point is a poor policy for the economy of the country and the world;

(b) if so, whether Government have given any serious consideration to the Rogoff's advice;

(c) if so, the details thereof;

(d) if not, the reasons therefor; and

(e) the prudent norms arrived at by Government for forex reserves?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) According to RBI India's approach to the management of Foreign Exchange Reserves duly reflects the changing composition of balance of payments and liquidity risks associated with different types of flows. India's foreign exchange reserves are at present comfortable and consistent with the rate of growth, share of the external sector in the economy and the size of risk adjusted flow.

(d) Does not arise.

(e) The policy for reserve management is judiciously built upon a host of identifiable factors and other contingencies which *inter alia* include size of the current account deficit; the size of short-term liabilities, the possible variability in portfolio investment and other types of capital flows, pressures on the balance of payments arising out of external shocks and movements in the repatriable foreign currency deposits of Non Resident Indians (NRIs).

Foreign exchange reserves

711. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite a very comfortable position of foreign exchange reserves, Government proposed to prepay foreign debts/ loans by market borrowing or public issues;

(b) if so, the reasons therefor; and

(c) if not, the details of debts/loans proposed to be pre-paid during the current year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The Government of India, taking advantage of comfortable reserves position and low interest regime has prematurely repaid certain high cost foreign currency loans from the Asian Development Bank (ADB) and the World Bank amounting to US $ 2.8 billion in February, 2003. These foreign debts were substituted with domestic debt amounting to Rs. 13,000 crore by issuing securities on private placement basis to RBI. During the financial year 2003-04, the Government of India has made further prepayment of high cost debt amounting to US $ 1.4 billion. The mode of financing this time was same as that of the February, 2003 prepayment. Apart from the above, the Government has decided to prepay all bilateral debt to partners other than Japan, Germany, USA, France and Russian Federation. An amount